

NO. 80411-7

IN THE SUPREME COURT
OF THE STATE OF WASHINGTON

CHARLES C. HASELWOOD and JOANNE I. HASELWOOD,

Petitioners,

v.

RV ASSOCIATES, INC.,

Respondent,

and

BREMERTON ICE ARENA, INC., a Washington corporation;
GREGORY S. MEAKIN and DEBORAH A. MEAKIN, husband and
wife; STIRNCO STEEL STRUCTURES, INC., a Washington
corporation; FRONTIER BANK, A Washington bank corporation, and
CITY OF BREMERTON, a municipal corporation.

Defendants.

RESPONSE TO MOTION TO STRIKE

William H. Broughton, WSBA# 8858
Broughton & Singleton, Inc. P.S.
9057 Washington Avenue NW
Silverdale, WA 98383
(360) 692-4888
Attorney for RV Associates, Inc.

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STATE OF WASHINGTON
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1. IDENTITY OF RESPONDING PARTY AND RELIEF REQUESTED.

Respondent RV Associates, Inc. asks this Court to deny Haselwoods' Motion to Strike.

2. FACTS RELEVANT TO MOTION

Haselwoods assert that RV Assoc. did not cross-petition for review of the trial court's ruling that RV could not remove its improvements as its lien is subordinate to that of lenders Haselwoods. This issue was raised in the Court of Appeals but was not reached by that Court in light of its ruling that RV Assoc. had a superior lien on the improvements.

Haselwoods also contend that RV failed to raise its request for attorneys' fees in its Answer. This issue was also raised in the Court of Appeals.

Haselwoods also claim that they raised the issue of an alternative remedy of a stop notice pursuant to RCW 60.04.221 to the trial court. Haselwoods also assert that RV did not offer evidence in response to this argument.

While Haselwoods are technically correct that Haselwoods raised the stop-notice issue before the trial court, it was not seriously briefed or argued. As the appendix to Haselwoods' motion shows, Haselwoods devoted four sentences to this issue. It was never argued.

Haselwoods also fail to mention that there was significant evidence presented to the trial court that the notice to lender would have been ineffective. Attached as Appendix A-1 to this response is the Declaration of Denise M. Riesau-Moreno which is incorporated by reference.¹

Significant unrefuted evidence was presented to the trial court that the lenders Haselwoods were well aware of the fact that there were numerous unpaid subcontractors. As the project drew to a close, Haselwoods had an architect and construction consultant auditing the draw requests and monitoring the construction during the project. (Appendix A-1)

The monies that are due to RV are for work completed through April of 2003. At that time, the lenders Haselwoods had already disbursed \$3,775,000, which was the total amount of their loan. (Appendix A-1). Subcontractors were told by the Haselwoods' construction representatives that the Haselwoods would advance the additional funds necessary to complete the project. (Appendix A-1)

¹ The Declaration of Moreno was attached to the Declaration of Attorney Ronald Templeton at *CP 749*. Unfortunately, this exhibit was mistakenly omitted from the record by the trial court clerk. A motion to supplement the record has been filed to correct this error.

Despite their repeated assurances, Haselwoods knowingly and deliberately refused to pay the remaining construction costs to complete the project.

It is not surprising that in light of these unrefuted facts, Haselwoods' trial counsel did not brief or argue the availability of a stop notice to RV. The remedy provided in RCW 60.04.221 requires the lender to withhold unpaid monies from subsequent draws after the stop-notice is given. The evidence clearly shows that all of the proceeds of the initial loan were exhausted before payment became due to RV for the last phases of RV's work.

Haselwoods further claim that RV is incorrect that the trial court ruled that RV had a valid lien. The record clearly reflects that the trial court found that RV had a valid lien but that it was junior and subordinate to Haselwoods' Deed of Trust. *CP 769*.

3. GROUNDS FOR RELIEF AND ARGUMENT

It was not necessary for RV Assoc. to cross-petition on the issue of removal of its improvements. In light of the Court of Appeals decision, RV is entitled to foreclose on its lien which is superior to the lenders' deed of trust.

The issue of attorneys' fees is governed by RAP 18.1(b). That rule provides that requests for attorneys' fees made at the Court of Appeals are

Court. Therefore, the issue of attorneys' fees can properly be decided by this Court based upon the request for attorneys' fees made before the Court of Appeals.

Finally, the continuing reliance of the Haselwoods on the stop notice is contradicted by the undisputed facts in the record. Haselwoods had totally disbursed the amount of their original loan before RV's final payments became due. Haselwoods' agents convinced RV and other subcontractors performing the remaining work on the uncompleted project that they would be paid. Rather than keeping these agreements, the Haselwoods deliberately refused to pay for the additional \$500,000 of work needed to complete the project. The Court will note that this deception by the Haselwoods was in large part successful. Only RV and Stirnco still have pending claims against Haselwoods. The remaining unpaid lien holders' claims have all been dismissed.

A stop-notice is only effective where a lender advances additional loan proceeds to a borrower after a stop notice is received. RCW 60.04.221. Here, the lender had paid out the entire amount of the construction loan before the additional subcontractor payments were due. Clearly, this argument is without merit.

Finally, the Haselwoods request that the Court strike the following false statements:

1. The Haselwoods argue that RV's lien cannot attach to the improvement. RV Supp. Br., page 1. This statement should not be stricken as it is a fair assessment of Haselwoods' position.

2. The concession agreement is in essence a long term lease. RV Supp. Br. page 2. While the concession agreement provides that it is not a lease, RV's statements are fair argument. The concession agreement walks like a lease and talks like a lease. Its self-serving language that it is not a lease is certainly subject to rebuttal.

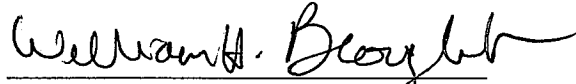
3. The Haselwoods recorded their deed of trust recognizing that the improvements attached to and become part of the realty. RV Supp. Br. page 3. Again, this is appropriate argument consistently found in the record before the trial court and the Court of Appeals. Haselwoods commenced this litigation for the purpose of foreclosing on their deed of trust. Were the improvements not a part of the realty, the Haselwoods would not have been protected by their deed of trust. It is illogical that the Haselwoods realized on their security by a deed of trust foreclosure thereby eliminating all lien claims except that of RV Assoc. if the improvements had not become a real property interest.

4. CONCLUSION.

Attorneys' fees have been properly requested. While the Court of Appeals has not addressed the issue of removal as it was not necessary to

that Court's decision, argument on the removal statute is appropriate when discussing lien claimant remedies. The statements made by RV Assoc. with regard to the record are true and accurate and should be considered.

Respectfully submitted this 27th day of June, 2008.



William H. Broughton, WSBA #8858
Attorney for RV Assoc.
9057 Washington Ave. NW
Silverdale, WA 98383
(360) 692-4888

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4.
5. SUPERIOR COURT OF THE STATE OF WASHINGTON FOR KITSAP COUNTY

6. CHARLES C. HASELWOOD and JOANNE)

7. L. HASELWOOD, husband and wife,)

NO. 03-2-02825-0

8.)
9. Plaintiffs,)

DECLARATION OF DENISE M. RIESAU-
MORENO

10. vs.)

11. BREMERTON ICE ARENA, INC., a)

Washington corporation; GREGORY S.)

12. MEAKIN and DEBORAH A. MEAKIN,)

13. husband and wife; RV ASSOCIATES, INC.,)

a Washington corporation; MALLORY)

14. ENTERPRISES, INC. dba ABBEY)

CARPETS, a Washington corporation;)

15. ROBISON MECHANICAL, INC., a)

16. Washington corporation; JPL)

HABITABILITY, INC., a Washington)

17. corporation; CONSOLIDATED)

18. ELECTRICAL DISTRIBUTORS, INC. dba)

STUSSER ELECTIC CO./EAGLE)

19. ELECTRIC, a Washington corporation;)

20. ALASKA CASCADE FINANCIAL)

SERVICES, INC., assignee for Sound Glass)

21. Sales, Inc., a Washington corporation;)

SULLIVAN HEATING & COOLING, INC.,)

22. a Washington corporation; STIRNCO)

23. STEEL STRUCTURES, INC., a Washington)

corporation; EAGLE ELECTRIC, INC., a)

24. Washington corporation; HANSON SIGN)

COMPANY, INC., a Washington)

25. corporation; STRIPE RITE, INC., a)

Washington corporation,)

1.)
2. Defendants.)
3.)
4.)

5. DENISE M. RIESAU-MORENO declares as follows:

6. 1. I am the former Vice-President and Director of Operations for Bremerton Ice Arena, Inc.,
7. "(BIA)". I have personal knowledge of and am competent to testify to the matters set forth
8. below.

9. 2. I had known Greg and Deborah Meakin many years before the ice arena project got underway.
10. Greg asked me to help him with the initial planning. I became intimately involved in the early
11. planning, as well as the subsequent construction and initial operating phases. Although I was
12. not a shareholder of BIA, as a friend and financial advisor, I participated in the negotiations with
13. the Haselwoods, Kitsap County and the City of Bremerton.

14. 3. During the initial budgeting process, Greg estimated that the initial construction and start-up
15. expenses, including an initial operating reserve, would well exceed \$4.5 million. At the time,
16. prevailing commercial loan rates were well under 7%. Using prevailing interest rates, we
17. concluded that within 12 to 18 months of opening, the revenues would be sufficient to cover the
18. projected debt service, all operating expenses, and produce a reasonable profit.

19. 4. However, during the early negotiations with the Haselwoods, they insisted that they receive a
20. return of not less than 10% per annum. Given this added debt service, this meant the
21. construction and start-up costs would have to be reduced, the revenue projections in the initial
22. start-up phase increased and profit expectations reduced. Accordingly, a number of efforts were
23. made to cut initial costs. One example is the elimination of a general contractor for the project.
24.
25.

1. Initially, Greg was negotiating with Drury Construction to serve as the general contractor and
2. Miles Yanick to provide architectural and construction management services so the project could
3. proceed on a traditional design-bid-build construction model. Instead, one of the Haselwoods'
4. representatives introduced Greg to Jim Wooten. Wooten, who worked out of his home and had
5. virtually no overhead, did general handyman work for the Haselwoods. Wooten agreed to serve
6. as a project manager. While Wooten's management contract was signed by BIA, Wooten clearly
7. acted as a dual agent and was brought in to protect the Haselwoods' interests as well. Once
8. Wooten came on board, the traditional design-bid-build model was abandoned, and the project
9. was to proceed as a modified design-build project without a general contractor, which shifted not
10. only more of the design responsibilities onto the key subcontractors but added risks. This
11. fundamental change in the construction model would later have a profound effect on the
12. subcontractors. It meant that the various subcontractors would contract directly with BIA. There
13. would be no intervening general contractor with the bonding capacity to pay the subcontractors
14. if BIA ran out of money. It also meant that we wouldn't truly have a handle on the ultimate
15. construction costs until well after BIA broke ground. Finally, once the Haselwoods brought
16. Wooten on board, the concept of having Miles Yanick serve as a owner's representative to
17. provide construction oversight and management was abandoned.

18. 5. Another cost cutting measure involved the elimination of an attorney to represent the Meakins
19. and BIA. Instead, the Meakins and BIA relied on the Haselwoods' attorney, Gary Chrey, to
20. negotiate with the County and City and draft the necessary contracts.

21. 6. A final cost cutting measure involved reducing the size of the building.

1. 7. At all times beginning with the initial meetings with the Haselwoods, when it appeared the
2. facility would be built at the Kitsap County Fairgrounds, Joanne Haselwood made repeated
3. assurances that the Haselwoods were committed to fully fund the construction and start-up costs.
4. When the negotiations were concluded with the County, the Haselwoods issued a press release
5. stating that the Haselwoods were contributing the funds necessary to build the facility as a
6. philanthropic gesture on their part to provide a new recreational opportunity for the children of
7. Kitsap County. There were at least two initial newspaper articles touting the Haselwoods for
8. their apparent philanthropy. Joanne loved the public attention. In the public's eyes, the public
9. thought the Haselwoods were making a gift.
10.
11.
12. 8. In February, 2002, the project received a major setback when the County announced it had to
13. rescind the building permit based on neighborhood opposition. Thereafter, the Haselwoods were
14. contacted by the City about locating the facility in East Bremerton. The projected project costs
15. were still carried at approximately \$3,775,000.00. However, this cost did not include substantial
16. site work costs. This site work would not have been necessary had the facility been built at the
17. Fairgrounds. This cost also did not include modified design fees nor, in my opinion, did it carry
18. sufficient reserves for initial debt service or operating costs.
19.
20.
21. 9. It was not until the first week of September, 2002, that any written documents were provided the
22. BIA to document the Haselwoods' contributions. These documents were prepared by Gary
23. Chrey and were in the nature of loan agreements. The loan amount was \$3,775,000.00. This
24. number was derived from Greg's initial cash flow analysis that showed that at a 10% interest
25.

1. rate, the facility's revenues could not support the debt service on a loan amount in excess of
2. \$3,775,000.00.

3.
4. Once the initial drafts were presented, Greg and I met with Gary Chrey and Chuck and Joanne
5. Haselwood. At the time, Greg, Joanne Haselwood and I all knew the construction and start-up
6. costs would exceed \$3,775,000.00. At the time, prevailing commercial lending rates were less
7. than 6%. Greg wanted the Haselwoods to reduce the interest rate to at least 8% to give the BIA
8. a better chance to cover the debt service on what we all knew would ultimately be a higher loan
9. amount. Chuck would not agree to an interest rate reduction. Gary then began asking what
10. would happen if, as we had been discussing, there were, in fact, substantial cost overruns. Gary
11. wanted to add additional provisions clearly limiting the Haselwoods' contribution to
12. \$3,775,000.00. Thereafter, Gary and Joanne got into a heated exchange. Joanne reminded Gary
13. that the Haselwoods had publically represented that they were fully funding the project and that
14. the Haselwoods would look stupid if they didn't see the project through. She specifically stated
15. to Gary that "we're going to pay whatever this thing costs to get this done". Joanne then
16. instructed Gary that, given Chuck's input, the interest rate would remain fixed at 10%. However,
17. Gary was not to worry about cost overruns or specific provisions limiting the Haselwoods' future
18. contributions.

19.
20. Joanne Haselwood knew that the Meakins had limited funds and knew that any project shortfalls
21. would, in all likelihood have to come from the Haselwoods.

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25. 10. The project broke ground on approximately September 9, 2003. At the beginning, Wooten
reported he was having difficulties getting subcontractors on site. While he was providing oral

1. assurances that the Haselwoods would fully fund the construction costs, he reported the
2. subcontractors wanted something in writing. He and Greg jointly prepared an initial draft of a
3. personal assurance to be signed by the Haselwoods. An initial draft was provided to Joanne who
4. forwarded it to Gary Chrey for review. According to Greg and Wooten, the completion of a final
5. draft was delayed because Gary and Joanne were at odds over the verbiage. Gary wanted some
6. form of detailed disclaimer by which the Haselwoods would be disclaiming any responsibility
7. other than to loan BIA up to \$3,775,000.00. Joanne reminded Gary that the Haselwoods had
8. publically represented that they were fulling funding the project. During the course of that
9. exchange, Gary and Joanne reached a compromise. The letter advised the subcontractors that
10. the Haselwoods had made a loan in the amount of \$3,775,000.00, but otherwise would not have
11. the disclaimers that Gary wanted. Attached hereto as Exhibit 1 is a copy of a letter dated October
12. 14, 2002 signed by the Haselwoods, which Joanne authorized Wooten and Greg to circulate to
13. the various subcontractors. I attached a copy of that letter to the contracts signed by BIA with
14. the larger subcontractors.

15. 11. The October 14, 2002 letter includes a reference to an auditing/monitoring process by Miles
16. Yanick. The inclusion of this reference is puzzling inasmuch as that concept had been
17. abandoned many months earlier by the Haselwoods when they brought Wooten on board.
18. Instead, the disbursement process worked as follows:

19. a. Subcontractors would submit monthly draw requests to Wooten.
20. b. Wooten would go over the draw requests with Greg and I.

1. c. I would prepare a spreadsheet showing disbursements to date, current disbursements due
2. and the projected balance to complete.
3.
4. d. I would submit the spreadsheet, together with the supporting billing invoices from the
5. subcontractors to the Haselwoods' bookkeeper, Irene Caulpetzer, who would pass that
6. along to Wayne Davis, the Haselwoods' Chief Financial Officer.
7.
8. e. Wayne would meet with Joanne. On at least three occasions, Wayne, Chuck and Joanne
9. visited the site to inspect the progress.
10.
11. f. Typically, checks were issued a to BIA for disbursement to subcontractors within 2 or
12. 3 days after I submitted a draw request.
13.
14. f. I would pick up the check at Irene's office. Concurrently therewith, I would leave a
15. check from BIA for the monthly interest that accrued on funds drawn to date.

15. 12. Attached hereto as Exhibit 2 is a spreadsheet dated May 12, 2003. This spreadsheet includes the
16. progress draw payments for work completed through April. As one can see, the Haselwoods had
17. already disbursed the sum of \$3,775,000.00. The second column demonstrates that the April
18. draw requests totaled \$769,821.03. The third column shows the projected balance to complete
19. in the amount of \$404,285.23 after payment of the \$769,821.03 then due. This third column was
20. a projection based on information provided by Wooten. This spreadsheet does not include the
21. monthly interest accrual due the Haselwoods, in the approximate amount of \$31,458.00.
22. Accordingly, in retrospect, this draw request was understated by this sum.
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25.

1. Shortly before this draw request was provided to Irene, Chuck and Joanne, Wayne Davis and
2. Joanne's son, Rick Wiler toured the facility. They knew there was substantial uncompleted
3. work.
4.

5. Prior to the submission of the May 12 spreadsheet, either Wayne Davis or Joanne had instructed
6. Greg to investigate alternative sources of financing. Accordingly, Greg asked Holly James who
7. was a financial consultant to assist him in investigating alternative sources of financing.
8.

9. Greg, Holly and I met with several bankers in an effort to raise approximately \$1.5 million. Two
10. banks were prepared to loan these funds on condition the Haselwoods co-signed a new loan.

11. As this process dragged on, the subcontractors were pushing for payment of their April draw
12. requests and were threatening to walk off the job. Wooten claimed he had spoken with Joanne,
13. who had assured him the Haselwoods would ultimately loan the additional funds to pay the
14. balance due the subcontractors. He indicated the Haselwoods were merely putting pressure on
15. Greg to motivate him to keep costs down and to fully attend to the operational revenues once the
16. facility opened.
17.

18. During this time frame, Greg, Holly James and I met with Wayne Davis, Joanne and Gary Chrey
19. to discuss the shortfalls. We reported that the only way BIA could secure alternative financing
20. was to obtain a loan co-signed by the Haselwoods. Joanne reported she would prefer to
21. contribute the funds on her own rather than pay interest to a bank. Accordingly, Joanne directed
22. Gary to prepare additional loan documents to cover the \$769,821.03 that required immediate
23. disbursement. She instructed Greg to continue to investigate other sources of financing.
24.
25.

1. Gary Chrey did not complete the new loan papers until the middle of June. Accordingly, the
2. Haselwoods did not disburse these funds to BIA until mid-June. Meanwhile, to keep the
3. subcontractors on the job and content, Wooten provided on-going assurances to the
4. subcontractors that the Haselwoods were coming up with the money to finish the project.

6. 13. Once the Haselwoods disbursed the \$769,821.03 to BIA, I began preparing checks to cover the
7. April progress payments. However, Wooten met with Greg and I and wanted to make
8. adjustments in those disbursements. He indicated Joanne wanted to make sure certain
9. individuals or firms got some of the funds, even though not included in the April draw request.
10. For example, Rich Rucker, who was the Haselwoods' real estate advisor, had previously
11. negotiated a \$40,000.00 commission for supposedly negotiating the Eastpark deal between the
12. City and the Haselwoods. \$20,000.00 was due in advance and the remaining \$20,000.00 was due
13. after completion. I told Wooten that Rucker wasn't on the pay list. Wooten, nevertheless,
14. wanted the remaining \$20,000.00 paid from the new "loan" funds. This effort to favor selected
15. vendors was particularly unfair to certain vendors. For example, Eagle Electric, who was an out
16. of town contractor with no ties to the Haselwoods was not paid any of its April progress payment
17. which totaled some \$43,000.00. Another payment that was not on the May 12 pay list was the
18. accrued interest due the Haselwoods which the Haselwoods insisted be paid. Accordingly, when
19. HMI issued the check for \$769,821.03, BIA turned around and paid the Haselwoods
20. approximately \$31,500.00.

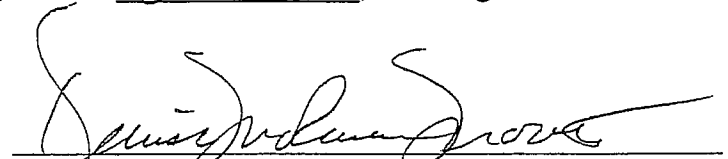
25. 14. The facility was fully and finally completed by late June, 2003. After compiling the final project
costs, the resulting shortfall was approximately \$500,000.00. The Haselwoods refused to

1. provide the funds necessary to cover any of this shortfall. I was outraged. Joanne had made
2. repeated representations that the Haselwoods would fully fund the construction and start-up
3. costs. They knew Wooten was repeating these representations to the various subcontractors.
4. They knew going in that \$3,775,000.00 would not fully cover construction and start-up costs.
5. They knew the Meakins had no funds or resources of their own. They knew the subcontractors
6. were relying on the Haselwoods to fund the construction costs and knew the subcontractors
7. would walk off the job if the subcontractors became aware the Haselwoods would cut off the
8. final funds necessary to fully fund construction costs for the ice arena. They knew Greg had
9. pursued and was unable to procure alternative financing and knew Greg couldn't possibly secure
10. additional financing. Given Greg's cash flow projections and given the Haselwoods' first
11. mortgage lien position on a debt that had grown to \$4,545,000.00 at an interest rate of 10% per
12. annum, the facility could not possibly service any more debt.
13.

14. 15. I firmly believe the Haselwoods should have honored their commitment to pay all the
15. construction costs. Once the facility opened, BIA's operating revenues exceeded the initial cash
16. flow projections. Had the Haselwoods contributed the budget shortfalls, deferred the debt
17. service for 6 to 12 months and reduced the interest rate to a rate even close to a commercially
18. reasonable rate, I am convinced BIA could have successfully operated the ice arena and fulfilled
19. the mission the Haselwoods' publicly claimed was theirs: a successful recreational opportunity
20. for the children of Kitsap County.
21.
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25.

1. I certify under penalty of perjury under the laws of the State of Washington that the foregoing
2. is true and correct.

3. DATED this 3rd day of February, 2005 at Silverdale, Washington.
4.

5. 
6. DENISE M. RIESAU-MORENO
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H M I

EXHIBIT 1

500 Union Ave • P.O. Box 4999
Bremerton, WA 98312-0458
(360) 405-6208
Fax: (360) 405-9146

October 14, 2002

Strictly Confidential

To Whom It May Concern:

Please be advised that we, Chuck and Joanne Haselwood, have entered into a formal financing agreement with Bremerton Ice Arena, Inc., for the purpose of funding the construction of an ice arena in Eastpark. Our primary motivation for funding this project is our desire to bring ice to Kitsap County in order to improve the quality of life for residents, especially children.

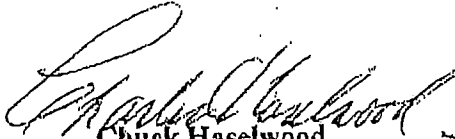
The agreement is a construction loan/take-out mortgage package in the amount of 3.775 million dollars. The construction/funding draw process is being audited and monitored by Mr. Miles Yanick, AIA certified architect, Miles Yanick & Company, Bainbridge Island, Washington.

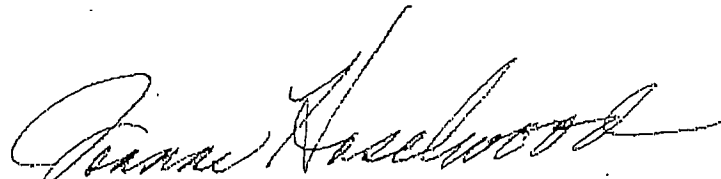
We are long-time auto dealers in Bremerton, Washington. Local Haselwood dealerships include Today Chevrolet, Heartland Toyota, Haselwood Buick GMC Pontiac, Premier Chrysler Jeep and West Hills Honda.

Haselwood facilities in the Seattle area include Lexus of Bellevue, Lexus of Tacoma in Fife, and Acura of Seattle.

We possess the fiscal ability to fund a project of this scope. For questions or more information, please direct inquiries to our attorney Gary Chrey at 360-876-4455.

Sincerely,


Chuck Haselwood


Joanne Haselwood

c.c. Gary Chrey: Shiers, Chrey, Cox, Digiovanni & Zak, LLP
James E. Ryan: Ryan, Sells, Uptegraft
Denise Moreno: Bremerton Ice Arena, Inc.

Bremerton Ice Arena, Inc.

Monthly Draw Request

May 12, 2003

EXHIBIT 2

Expenses	Paid to Date	Draw Request	Bal. to Complete	Total	Defaults
Architect - Miles Yanick & Co.	\$234,034.90	\$891.50		\$234,926.40	
Consulting - David R. Schleigh	\$41,000.00		\$5,000.00	\$46,000.00	\$5,000.00
Design Fees - Bargreen Ellingson, Inc.	\$1,500.00			\$1,500.00	
Design Fees - Genette Beaudette	\$4,907.79			\$4,907.79	
Design Fees - Sullivan, Inc.	\$4,231.50			\$4,231.50	
Design Fees - Fox Fire Prevention, Inc.	\$2,200.00			\$2,200.00	
Civil Engineering - Michael F. Whak	\$90,346.11	\$1,369.77		\$91,715.88	
Engineering - Robison Mechanical, Inc.	\$3,000.00			\$3,000.00	
Engineering - MC Squared	\$15,005.25			\$15,005.25	
Legal - Ryan, Sells, Uptgraft Inc. P.S.	\$9,715.69			\$9,715.69	
Project Manager - The Woolan Group	\$112,000.00	\$10,000.00		\$122,000.00	
Broker Fees - The Rucker Group	\$20,000.00		\$20,000.00	\$40,000.00	\$20,000.00
Krazan & Associates-Geotech Engineer	\$21,874.50	\$1,760.25		\$23,634.75	
Graphic Design & Website - Sungrafx	\$12,724.87			\$12,724.87	
Legal - Buskirk Law Offices	\$532.10			\$532.10	
Permits - City of Bremerton	\$38,900.96			\$38,900.96	
Site Work - Earthmovers	\$528.84			\$528.94	
RV Associates, Inc. - Site Work	\$494,424.41	\$67,999.38	\$72,084.40	\$634,508.19	
Accent Refrigeration - Ice Refrigeration	\$332,690.50	\$34,838.96		\$367,529.45	
Zamboni Equipment - Deposit	\$18,000.00	\$59,500.00	\$10,612.76	\$88,112.76	\$10,612.76
Top Shot - Arcade Equipment	\$7,000.00			\$7,000.00	
Stirco Steel Structures	\$766,884.10	\$46,575.00	\$89,000.00	\$902,439.10	
AES Consultants Inc.- Survey work	\$17,573.75	\$11,051.25		\$28,625.00	
Casne Engineering, Inc.	\$6,500.00			\$6,500.00	
Hard Rock, Inc. - Concrete	\$83,753.02	\$9,593.30		\$93,346.32	
Addison Construction Supply	\$54,231.89	\$853.90		\$55,085.79	
Brundage Bone Concrete Pumping, Inc	\$12,339.84	\$1,950.30		\$14,290.14	
Maple Leaf Gold, Inc. - Dashboard	\$28,713.00	\$66,997.00		\$95,710.00	
Bargreen Ellingson, Inc.	\$114,750.00	\$40,000.00	\$10,000.00	\$164,750.00	\$10,000.00
Dana Waterproofing	\$8,922.31			\$8,922.31	
Robison Mechanical	\$99,553.80	\$33,111.72	\$10,500.00	\$143,165.52	
Sullivan Heating & Cooling Inc.	\$188,509.21	\$79,918.27	\$28,704.90	\$297,132.38	
Fox Fire Prevention	\$53,424.63	\$2,378.33		\$55,802.96	
Wayne Maison - Concrete work	\$15,555.19	\$3,603.00		\$19,158.19	

Bremerton Ice Arena, Inc.

Monthly Draw Request

May 12, 2003

Eagle Electric, Inc.	\$260,391.72	\$43,412.60	\$11,759.00	\$315,563.32	
Muzak system (Music & CCTV systems)	\$2,000.00	\$18,000.00	\$20,259.32	\$40,259.32	\$20,259.32
Nik Design (Scoreboard)	\$17,669.20			\$17,669.20	
Pro Shop	\$15,000.00			\$15,000.00	
Masonry Associates, Inc.	\$97,807.50			\$97,807.50	
Viking Fence	\$2,914.31		\$2,000.00	\$4,914.31	
Peninsula Concrete Cutting Inc.	\$125.00			\$125.00	
Kitsap Paintsmith	\$36,117.33	\$2,519.96		\$38,637.29	
Abbey Carpets - Flooring	\$52,000.00		\$79,200.00	\$131,200.00	\$25,000.00
Four Aces Drywall, Inc.	\$7,836.96	\$47,641.00		\$55,477.96	
IntelliSystems, Inc.	\$6,350.80	\$15,534.42		\$21,885.22	
Kitsap Garage Door Co.	\$4,631.54			\$4,631.54	
LaRusso Construction Co.	\$13,742.07			\$13,742.07	
S. L. Construction Co.	\$42,749.74			\$42,749.74	
Shore Pine Landscape Co.	\$10,850.00	\$12,260.50	\$8,128.82	\$31,239.32	
Sound Glass Co.	\$9,773.66	\$38,632.49	\$4,000.00	\$52,406.15	
Star Rentals	\$433.31	\$565.51		\$998.82	
WA Architectural Hardware Co.	\$19,655.00	\$15,936.27		\$35,591.27	
Cascade Rec. Inc. (Bleachers-Benches)		\$34,675.65		\$34,675.65	
Blademaster (skate sharpener)		\$9,999.00		\$9,999.00	
JPL Habitability (Cab. & Tables, Skt Rental)		\$8,635.52		\$8,635.52	
S&C Portable Welding (Rails & Stairs)		\$22,521.26		\$22,521.26	
Hanson Sign Co.		\$4,000.00	\$5,800.00	\$9,800.00	
Cascade Concrete Sawing & Boring		\$908.15		\$908.15	
Classic Concrete Services		\$9,265.00		\$9,265.00	
Hole Boring & Tank Co.		\$455.70		\$455.70	
Kitsap Roofing (Entry roof)		\$4,557.00		\$4,557.00	
Olympus Contractors Inc. (Vainscoating)		\$6,988.49		\$6,988.49	
One Stop Repairs & Remodel (Finish work)		\$8,137.50		\$8,137.50	

Bremerton Ice Arena, Inc.

Monthly Draw Request

May 11

Omega One (Computer sys. & phones)
 Frontline Solutions (POS software)
 Office Furniture & Equipment
 Office Trailer - GE Modular
 Sanitation - Northwest Cascade Inc.
 Viking Fence - 6 month rental
 Interest Reserve
 C.O.D.s
 Office Expense
 Marketing Materials
 TOTAL

	\$15,000.00	\$8,000.00	\$17,736.03	\$25,736.03	\$10,000.00
	\$7,319.11		\$9,500.00	\$24,500.00	\$9,500.00
	\$1,880.13			\$7,319.11	
	\$1,256.58			\$1,880.13	
	\$1,625.87			\$1,256.58	
	\$97,800.00			\$1,625.87	
	\$11,050.00			\$97,800.00	
	\$90,505.00			\$11,050.00	
	\$20,000.00			\$90,505.00	
				\$20,000.00	
	\$3,759,793.09	\$785,027.94	\$404,285.23	\$8,949,106.26	\$110,372.08

769,821.03 Balance
 15206.91 (paid 5/15/05) NMT pd

4,544,821.03